GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA

UNSTARRED QUESTION NO:4631
ANSWERED ON:19.12.2001
INTERNATIONAL SERVICES BY PRIVATE COMPANIES
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Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether the Government have given permission to the private telephone companies to start international services;

(b) if so, the details thereof and the date from which this service is likely to be started; and

(c) its likely effect on the consumers and the public sector companies?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR)

(a) & (b): Government has accepted the recommendations of Telecom Regulatory Authority of India in respect of opening of International Long Distance Service to private sector from 1st April, 2002. So far, no licence has been granted to any private company. The salient features of the recommendations of the Telecom Regulatory Authority of India, which were sought in accordance with the provisions of Telecom Regulatory Authority of India Act, 1997 for grant of licence for International Long Distance Service, are enclosed as Annexure.

(c) Introductions of competition in international voice traffic is expected to enable the public sector to provide more effieient and better quality of service at more affordable rates to the subscriber.

ANNEXURE

Salient features of recommendations of Telecom Regulatory Authority of India (TRAI) for grant of licence for International Long Distance.

- Unrestricted entry.
- All bearer services to be provided by the Licensee.
- Entry fee of Rs. 25 crores.
- Net worth of applicant company: Rs. 25 crores.
- Performance Bank guarantee of Rs. 25 crores.
- Annual Licence fee 15% of Adjusted Gross Revenue (AGR).
- Licence period of 20 years.

- Roll out obligations:

- A minimum of four Points of Presence (POPs) i.e. one in each Region of the country i.e. Eastern, Western, Northern & Southern will need to be established within three years of signing the licence agreement.

- Delivery of traffic to all the countries in the World to be ensured through atleast four Direct Routes i.e. one each to North America, Gulf Region, Europe and any one location in South East Asia, Far East and Oceania within three years of signing the licence agreement.

- Interconnection of International Long Distance (ILD) network; Access provider may be allowed to interconnect with the International Long Distance Operator (ILDO) directly in situations where ILD Gateway switches and that of Access Provider`s (GMSC/Transit Switch) are located at the same station.

- Two types of Quality of Service (QoS) are permitted.